THE BERIA PURGE AND SUBSEQUENT SOVIET POLICY

In analyzing the possibility that Beria's arrest might have affected the course of Soviet policy, it is necessary first to determine the timing of his fall from power and then speculate on its relation to Soviet policy.

The earliest indication that Beria's power may have been on the wane weeks before the announcement of his arrest was the unexplained postponement of the Georgian Party Congress. Called for 25 May, this congress would presumably have ratified the widespread April reorganization of the Georgian party and government which appeared to have been engineered by Beria.

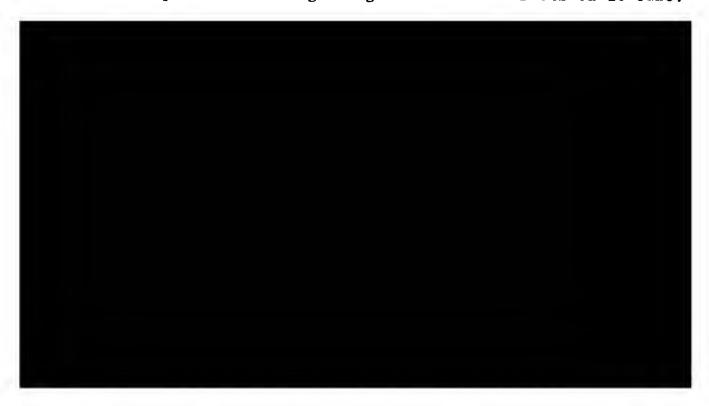
Western observers generally consider Beria's absence from the opera on the evening of 27 June, coupled with the strange movement of tanks in the vicinity of his house in the late afternoon, as indicative of his arrest on that day. On this assumption, it is also generally considered that the developments in East Germany provided the opportunity and pretext for his arrest to the late of the provided the opportunity and pretext for his arrest to the late of the

01980

BEVIEWER: 372044



There is some evidence, however, that Beria's fall may have occurred even prior to the beginning of the German riots on 16 June.



25X1C

opposition to his colleagues, of the USSR's "softer" tactics. It would be more likely that he disagreed with those tactics and thereby contributed to his downfall.

Inside the USSR, the "liberalization" policy had three parts: (1) a new emphasis on increasing consumer goods for the people; (2) a seeming de-emphasis of the government's dependence on the whole repressive system of forced labor, coupled with a promise to rewrite the criminal code in favor of increasing civil rights; and (3) a propaganda campaign which reversed the preferential status of Great Russians by emphasizing that the minority nationalities were "equals among equals."

Whether or not Beria was a proponent of the new stress on consumer goods, it appears to be continuing. The Pravda editorial of 10 July reporting Beria's arrest appeared to put more emphasis on heavy industry than on consumer goods. On 8 July, however, Pravda had announced the existence of reserves of 20 billion rubles in excess of the envisaged annual plan for consumer goods turnover.

Approved For Release 2000 000 200 P79R00890A000100060028-0

On 14 July, the USSR concluded a contract for 10,000 tons of Dutch butter -- at least 8 times as much as that purchased from the Netherlands in 1952. Earlier it had purchased 6,000 tons of Danish butter, and the Soviet official who negotiated the contract remarked that the butter was required in view of the sharp rise in the Soviet standard of living.

On 15 July, Australian meat exporters reported that for the first time since the war they had received Soviet orders for frozen beef, mutton and pork. Butter and meat have been in particularly short supply in the USSR.

in the announcement on /7 July of the Soviet plan fulfillment for the first half of 1953. According to this announcement, the sale of consumer goods in the second quarter of this year was 23% greater than in the same quarter of 1952. Moreover, the only change revealed in the 1953 yearly plan as compared with last year's was the addition previously mentioned of 20 billion rubles for production and distribution of consumer goods.

Approved For Release 2000/08/29 : CIA-REP 19R00890140004 00060028-0

Approved For Release 2000/08/29 TDA 100890A000100060028-0

There have been no indications since Beria's arrest of reversion to the repressive forced labor system. However, it is extremely unlikely that Beria, as MVD chief, would have favored governmental reorganizations or acts limiting his ministry's functions and removing trained personnel. Consequently, it is not surprising that his downfall has apparently not affected this aspect of the new policy of internal conciliation.

The only element of the internal "liberalization" which since Beria's announced arrest may have been modified, if not reversed, is the anti-Russification propaganda campaign. It is quite possible that Beria was connected with this campaign since it appears to have been touched off by the April reorganization of the Georgian government and party, which has generally been credited to his influence.

The propaganda line that the minority peoples are "equals among equals" has been dropped and increasing stress has been placed on the dominant role of the Great Russian in Soviet affairs. Propaganda related to the Beria case has dominated Soviet internal output during the past week. Meetings convened throughout the USSR

Approved For Release 2000/08/29 : CIA/RDP79R668964000100060028-0

to approve Beria's dismissal were greatly publicized. Editorials consistently echoed the speeches and other material from the 19th Party Congress and from the vigilance campaign at the time of the "doctors' plot." This vigilance theme reappeared on 21 June for the first time since 20 April.

Front-page editorials demand "revolutionary vigilance" against
"enemies cleverly masking themselves in the guise of Communists"

sent in by capitalist states or recruited from the "politically and
morally rotten elements" of the Soviet population. Unity in leadership is also stressed. The principle of collectivity, which has
received much attention since Stalin's death, is set forth as a

counter to "arbitrary party work." Furthermore, Beria is held up
as an example to demonstrate the necessity for party control in all
spheres of Soviet life.

It is reported that over the weekend, propaganda coverage of the Beria case dropped off practically completely. It is too early to tell whether this is a trend or a passing phenomenon. However, together with the comparatively quiet removal of Meshik and Bagirov,

the two most recent prominent purges, it does suggest that there may not be any great public show trials involving scores of persons. Rather, the purges may be quietly limited to a few high officials, perhaps extending over a long period of time. Such a technique would be consonant with the other moderate tactics of the new government.

The increasing propaganda charges against the US -- that the US controlled Rhee and was trying to prolong the Korean war, that the US instigated and still supports the disaffection in East Germany, and, by implication, that Beria was a US agent -- all appear to have been tailored to specific situations for which the Kremlin needed an outside scapegoat or a standard explanation. These charges do not as yet appear to affect the over-all conciliatory policy which began after Stalin's death.

In the field of foreign policy, Moscow has continued to pursue its policy of reconciliation with countries bordering the Soviet Orbit. Following its recent efforts to improve relations with Turkey, Yugoslavia, and Iran, the USSR has now moved to resume

Approved For Release 2000/08/2011 123 49 R00890A000100060028-0

normal diplomatic relations with Greece. The 20 July announcement that the USSR and Israel have agreed to resume diplomatic relations, broken off 12 February after the bombing of the Soviet legation in Tel Aviv, is the logical culmination of Moscow's reversal of the anti-Zionist campaign which was vigorously pressed during the last months of Stalin's life.

Valkov, the new Soviet Ambassador to Yugoslavia arrived in Belgrade on 20 July. Last week Hungary, following the earlier lead of Rumania and Bulgaria, agreed to establish a joint border commission with Yugoslavia. Bulgaria and Greece were reported to have signed an agreement settling long-standing border disputes on 10 July.

The announcement of 15 July that the USSR will grant \$1,000,000 and lend the services of Soviet experts to the UN technical assistance program was followed two days later by a Polish offer to contribute \$75,000 to this program. This sudden reversal of the bloc's previous boycott of these activities reflects Moscow's current interest in expanding its international contacts and is part of the general policy of conciliation which the new regime

has been elaborating since Stalin's death.
Approved For Release 2000/08/29: CIA-RDP79R00890A000100060028-0

treaty.

Two minor gestures in the same trend were the granting on 16 July of exit visas to two more Russian wives of American citizens and the gift of \$10,000 to Japanese flood relief on 18 July. On 17 July, the USSR and Austria signed an agreement turning over the Ybbs-Persenberg dam to Austria, under article 35 of the draft state

In the field of foreign trade the USSR has within the past
week signed agreements virtually tripling trade with France, doubling
its exchange with Denmark, and greatly expanding that with Greece.

It has also signed a large trade agreement with Argentina, the first
since 1947. These new trade developments, all concluded since
Beria's purge, are primarily the result of the Kremlin's new willingness to export increased quantities of grain and timber, petroleum,
coal, manganese, platinum, and chrome ores.

The Satellite governments continue to follow Moscow's lead on the Beria affair, denouncing him as an "imperialist agent" and

citing his treachery as proof of the need for increased vigilance and unity. Leading editorials have stressed the solidarity of the Satellite governments with the USSR, and in Hungary factory workers have held "improvised meetings" to discuss the significance of the case.

Additional signs of conciliatory policies in the Satellites since the announcement of Beria's ouster have been noted in Rumania and Hungary. On 11 July both governments announced new decrees cancelling certain agricultural debts of private and cooperative farmers. In addition, the Hungarian government reduced the delivery quotas of cooperatives from 1953 by 10 percent. On the same day, Premier Nagy announced that decrees providing for an amnesty, the abolition of labor camps, and provision for deportees were being prepared and would be promulgated within thirty days.

Despite the speech on 11 July of party leader Rakosi, which was intended to allay the confusion which the government's "new economic policy" had aroused among party rank and file, members

remain discouraged, disunited and frightened. Rakosi retreated somewhat from the extensively "liberal" program which Nagy outlined a week earlier and subsequent editorials suggest that the government's policies would be slightly moderated.

The 17 July issue of the Cominform Journal, which carries summaries of the Nagy and Rakosi speeches, omits all the references in Nagy's speech to the alleviation of strict police measures and permission for peasants to withdraw from cooperatives. The tone of the speech was made to conform more closely to Rakosi's July 11 speech which stressed the need for improving production and work discipline and continuing support for the collectivization program, as well as plans for improving the standard of living. This watering down of the "new economic policy" outlined by Nagy is similar to the treatment his speech has received in the Soviet, Czechoslovak and Polish press, and suggests that future concessions will be well circumscribed.

Economic concessions in East Germany continue, with wages and the food supply being singled out for improvement during the Approved For Release 2000/08/29: CIAPPRO890A000100060028-0

SECRET

past few days. On 16 July the SED Politburo announced scheduled increases in the wages of lower paid workers and, according to the East German press, large quantities of food are being brought in from the Soviet Union to counteract shortages on the retail market. The consumer received promise of further improvement in the food supply when the East German government decided on 16 July to permit peasants to sell their surpluses directly to retailers or individuals.

However, strict security measures and steps to strengthen
the East German communist regime are being carried out simultaneously
with the economic reforms. The ruling communist party is being
purged of some of its socialist elements in a move to strengthen
the hard core of the East German regime.

The post of Justice Minister, heretofore held by an exSocialist, was filled by the appointment of Frau Benjamin, a ruthless communist jurist known for her harshness as a judge, and a few
days later the East German press announced that several persons
involved in the 17 June riots had been sentenced to long terms,

Approved For Release 2000/08/29 : CIA-RDF : CI



some of them life imprisonment. For adopting a lenient attitude towards the demonstrators, one communist official was fired and another censured on 19 July. These measures are indicative of the intention of the USSR to oppose firmly and ruthlessly any further attempt by segments of the populace to rebel and its determination to restore governmental authority.

Speeches by several communist leaders have also indicated that there may be a trend of reversal in the policy of easing the tempo of work in East German industry. Since the work norm increases were cancelled on 16 June communist leaders have announced that an improvement in the standard of living will be contingent on greater productivity, and workers were generally admonished not to slacken their pace in the factories.

The 15 July resolution calling for talks on unity between representatives of East and West Germany is not expected to change this picture since the proposal does not contain any elements conducive to agreement and thus was probably not intended to have more than propaganda value.

Approved For Release 2000/08/29 : CIA-RDP79R00890Δ000100060028-0

TAP SECRET

In conclusion, it appears that the purge of Beria has as yet had little effect on the main stream of conciliatory tactics, internal and external, which began with the deaths of Stalin and must have had the support of the dominant members of the new regime. The future course of Soviet policy is likely to be determined more by the exigencies of the situation in the areas of its application than by Beria's fall. Thus, a return to forceful measures in Germany, for example, would more probably be governed by the need to maintain discipline than by the downfall of an alleged proponent of softness. Furthermore, a shift or reversal of tactics in one area would not necessarily be followed by an overall policy change. It seems clear that even now the new tactics are not being applied with mechanical consistency in all areas; for instance, no economic concessions have been made in Poland or Bulgaria. Kremlin is not making concessions for their own sake but rather out of a self-interest which seems somewhat more enlightened than Stalin's.



IDP STITE! GOLDEN MAR

There has never been any indication that the conciliatory policy would be implemented to the injury of the fundamental aims of communism. Some of the apparent slackening of the conciliatory gestures in Germany and Hungary may be attributed to the desire of the regimes to remind the people and reassure the Party of this fact.

TOU CHERE